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Letter dated 17 August 2000 from the Permanent Representative of the Democratic Republic of the Congo to the United Nations addressed to the President of the Security Council

On instructions from my Government, I have the honour to transmit to you, annexed hereto, the final report of the non-governmental organization Observatoire Gouvernance-Transparence.

This report, published at Kinshasa in April 2000, analyses the systematic trafficking by Rwanda and Uganda of the mineral, agricultural and forestry wealth of the Congolese provinces that have been under their effective control for more than three years.

This report is limited mainly to the trafficking of diamonds and gold. It constitutes an initial piece of evidence to be entered in the record of the illegal exploitation of the natural resources and other wealth of the Democratic Republic of the Congo, in violation of its sovereignty.

I should be grateful if you would circulate this letter and its annex as a document of the Security Council.

(*Signed*) André **Mwamba Kapanga**
Ambassador
Permanent Representative

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Annex to the letter dated 17 August 2000 from the Permanent Representative of the Democratic Republic of the Congo to the United Nations addressed to the President of the Security Council

Observatoire Gouvernance-Transparence

War in the Democratic Republic of the Congo

Economic stakes: interests and actors

Final report

1. Purpose of the inquiry

Approximately 25,000 to 30,000 Rwandan, Ugandan and Burundian soldiers are engaged on various military fronts in the Democratic Republic of the Congo. One may ask where these countries obtain the resources to finance the expenses of equipping, feeding and clothing so many men for more than three years now.

The hypothesis put forward by a number of observers and analysts, particularly those from the Belgian research and information group on peace and security in the Great Lakes region (GRIP), reported in a 1999 edition of the weekly magazine *Jeune Afrique*, is inadequate. It contends that these military operations are financed by certain Western countries, including the United States of America and the United Kingdom, through one or more secret networks. This is not impossible, but other hypotheses should not be overlooked, and one of them deserves to be taken into consideration. It concerns the financing of these operations through an intense trafficking of mineral resources (mainly diamonds and gold), which not only generates large resources for financing the war, but also secures juicy profits for the senior officers and the Ugandan and Rwandan businessmen involved in this trafficking.

A number of indications appear to substantiate the theory that thanks to the war, Uganda and Rwanda are engaging in systematic trafficking of the mineral, agricultural and forestry wealth of the Congolese provinces that have been under their effective control for more than three years. Thus, the purpose of this inquiry is to identify the products that are the object of this trafficking, evaluate its scope and, of course, define the various networks that support it. Given the breadth of the subject, we will limit ourselves mainly to the trafficking of diamonds and gold.

2. Organization of the study

Our working method relies mainly on survey and interview techniques, which is tantamount to stating that most of the results that we arrived at rely on the oral narratives and accounts of informants whom we deemed worthy of interest and likely to provide us with reliable data on the subject. This concern led us to establish a sample of witnesses selected from among the former colleagues of Ugandan and Rwandan senior military officers and the syndicate traders who travel to Kampala and Kigali to sell their goods. Representatives of non-governmental organizations and senior government officials were also interviewed.

A total of 50 persons selected on the basis of their knowledge of the cases or their involvement in the trafficking agreed voluntarily to collaborate with the study, but only 10 are mentioned.

Indeed, many of our informants preferred to remain anonymous, in view of the sensitivity of the subject. We consider it our duty to honour their wish.

3. Duration of the study

This survey was carried out in two stages during the period from 15 October 1999 to 1 February 2000.

The first mission to Nairobi, which lasted 10 days, enabled our investigators to observe, listen to and question the information sources.

The second mission, consisting of on-site targeted information-gathering, lasted 21 days in Nairobi and Kampala.

The gathering of direct data and information at Kinshasa took 30 days.

Another 30 days were needed for the verification, interpretation and analysis of the information gathered, while the drafting and finalization of the report lasted 10 days. Overall, therefore, the actual preparation of this study lasted 101 days. This time is justified by the fact that gathering reliable information in a context of war and confusing propaganda is extremely difficult and requires a good dose of patience and caution.

4. Terms of reference

Throughout the survey we were continually called upon to refer to the following terms of reference:

1. Observe and establish the reality of the illicit trafficking by Uganda and Rwanda of the mineral wealth of the Democratic Republic of the Congo;

2. Identify the products and sectors that are the object of this trafficking;

3. Assess the scope of the trafficking;

4. Identify the operators involved in the various trafficking rings;

5. Make an approximate assessment of the income that these countries earn from the trafficking.

5. Economic stakes involved in the war

The problems linked to insecure borders and instability in the Great Lakes region can no longer, in and of themselves, justify the current occupation of nearly half of Congolese territory by the Ugandan, Rwandan and Burundian armed forces, whose front line is about 1,000 km from their borders.

Parallel to the war, and because of it, an entire Mafia-style economy is springing up and being consolidated in the Democratic Republic of the Congo, with implications for other countries in the region. This changes the original motivations, the issues and the shape of the crisis affecting the region.

The initial survey elements at our disposal indicate clearly to us that actual Mafia-style groups, aided and protected by Ugandan and Rwandan senior military officers, are engaging in intense and massive trafficking of the mineral wealth of the Democratic Republic of the Congo (mainly diamonds and gold), transforming the country into a vast hub where traffickers of all kinds — diamond traffickers, drug money-launderers and gun-runners — are present.

In the eyes of many, it now appears that the major stake in this war is the control and exploitation of the mineral wealth with which the Democratic Republic of the Congo overflows.

Indeed, the country has major mineral resources (copper, cobalt, uranium, diamonds, gold, silver, cassiterite (tin oxide), columbo-tantalite, pyrochlore, niobium, and so on), which excite the envy of many countries.

If rationally exploited, this wealth could generate an income estimated at $2 billion to $3 billion a year. As an example, the diamond market alone represents a jackpot of $600 million to $700 million per year, while the Kilo-Moto mines alone represent a potential 1,000 to 2,000 tons of gold reserves, or the equivalent of $25 billion to $30 billion.

When the war broke out in 1996, large-scale jockeying for control of this wealth by a number of Western enterprises had already begun 10 years earlier.

Some 20 companies, mostly South African, French, Swiss, Canadian, American, Australian, and so on, waged an unrelenting battle for control of the country's major mining companies, such as Gecamines, Okimo, Miba, Sominki, and so on.

Those most involved in what must be called the "treasure hunt" are the Anglo-American corporation of Nickey Oppenheimer; the Swiss company SWIPCO; Filmac, a French enterprise; Russel Resources Groups; the British company Lonrho, through its Ghanaian subsidiary Ashanti Goldfields Co. Ltd.; the Belgian company Union Minière; the Australian BHP; the Canadian companies Falconbridge and First Quantum, specializing in cobalt, and the Barrick and Banro companies, both also Canadian and specializing in gold, not forgetting the Chinese company Cinec, which is active in copper and cobalt.

- Around 1980 to 1984, a consortium including American, Japanese, Belgium and British firms attempted to exploit the Tenge-Fungurume mines, which are among the world's richest deposits of copper and cobalt. This project ended in 1984 as a result of problems linked to the fall in the price of copper at the time.

- In 1994, a consortium of South African, Swiss and French enterprises offered to pay the debt arrears of the Democratic Republic of the Congo, which totalled around Can$ 375 million at the time. This scheme would have enabled the World Bank, the International Monetary Fund and the African Development Bank to unfreeze a credit of $1 billion, which was needed to revitalize the economy.

In exchange, the Congolese Government was asked to transfer the management of Gecamines, Okimo and Miba to this consortium. The scheme did not succeed.

- In 1995 SWIPCO launched a takeover bid for Kimin. The operation failed owing to the mobilization of public opinion and of the High Council of the Republic-Transitional Parliament (HCR-PT).
- Again in 1995, Explor Holding Luxembourg attempted to buy 40 per cent of the shares in Okimo — another failure.
- In 1996 the Canadian firm Barrick proposed to take a stake in Okimo and to invest $250 million in its capital for the company's revival. A partnership contract was signed to establish Kimin.
- In 1996 the Canadian company and the British firm Cluff Resources bought Sominki for Mr. Didier Pino, Valencienne.
- In 1997 the Kimin contract was broken for the benefit of a new partner which signed the contract only in 1998. This was Russel Resources Group. Kilo-Moto Resources was founded.
- In 1995 a consortium consisting of the Anglo-American corporation General Finance Investment and the French group Filmac again offered to pay the debt arrears of the Democratic Republic of the Congo. In exchange, it asked for the management of all of the country's strategic sectors, mines and telecommunications. An agreement was signed on 5 May 1995. It never saw the light of day.
- In 1997 America Mineral Fields signed a contract with the Alliance of Democratic Forces for the Liberation of the Congo-Zaire (AFDL) at Lubumbashi even before it reached Kinshasa. This contract was broken by the Kabila Government in 1998.

Parallel to this more-or-less official treasure hunt, the Lebanese organized contraband rings for diamonds and gold, using every possible means of fraud and corruption.

6. Nature and scope of the traffic

This Mafia-style economy affects mainly the diamond, gold, cassiterite, columbo-tantalite and pyrochlore sectors, as far as ore are concerned, but it also affects the timber sector and such agro-industrial products as coffee, tea and papayin.

When we look at the map of the war, we see that in the regions that they occupy, Uganda and Rwanda control basically 70 to 75 per cent of the mineral and agro-industrial wealth of the Democratic Republic of the Congo.

Thus, all the gold-producing areas of Orientale Province and the provinces of Maniema, South Kivu and North Kivu, which by themselves account for the bulk of the country's gold reserves, are completely under their control. The same goes for the cassiterite and columbo-tantalite reserves (450,000 tons) of Maniema, South Kivu and Katanga.

Moreover, when the Ugandan and Rwandan troops occupied Maniema and South Kivu at the start of the war, they found there a stock of 510 tons of cassiterite and 6 tons of columbo-tantalite, which were transferred to Kigali, probably for the benefit of a well-known Canadian company.

They also occupy all the diamond-producing areas in Orientale Province and the provinces of Maniema and Equateur (Yakoma), which represent the equivalent of $60 million to $75 million per year. Here it should be noted that the major diamond-producing town of Mbuji-Mayi is under siege by the same troops, which, according to a reliable information source, have not failed to profit from this position by pocketing a total of $100 million per year, granted by a large, well-known diamond company, to prevent them from attacking the town and to protect the Miba installations.

Moreover, Rwanda and Uganda control nearly all the agro-industrial production areas (Equateur, North Kivu, Maniema, Eastern Province). Hence, the main

part of the coffee production of the Democratic Republic of the Congo, estimated at around 60,000 tons of robusta coffee and 8,000 tons of arabica coffee per year, and all the tea, quinine and papayin plantations in North Kivu and South Kivu, are in the areas that they occupy.

The total income from the exploitation of all this wealth can be estimated at $150 million to $300 million per year.

It should be pointed out that these operations are made all the easier in that Rwanda, Uganda and Burundi control a number of airports (including four international airports: Kisangani, Goma, Gbadolite and Kindu) and such major ports as Kalundu, Kalemie, Moba, Bukavu and Goma. Likewise, they have at their disposal military telecommunications facilities, the only ones functioning at present. In addition, nearly all the airlines operating in the occupied regions belong to businessmen from these countries. The following airlines are involved:

- Planetair (Rwandan);
- Sun Air Service (Rwandan);
- Compagnie aérienne des Grands Lacs (CAGL) (Rwandan);
- Air Boyoma (Congolese);
- Sky Airlines (Ugandan);
- Air Navette (Ugandan);
- Ugandan armed forces;
- De Mavia (Rwandan-Ugandan-Congolese).

There are two Ilyushin flights per week between Kisangani, Bunia and Kampala. Likewise, there are two flights per week to the diamond-producing locality of Lodja. It should be noted that the Rwandan armed forces have refurbished the small airport in that town.

Regular flights take place between Gbadolite and Kampala via Bunia and Beni.

Lastly, through the Burundian naval forces, they control all maritime traffic on Lake Tanganyika and Lake Kivu.

7. Main participants in the trafficking

A. The Ugandan ring

At the head of this ring is General Salim Saleh, a close relative of President Museveni, who acts through a powerful intermediary: General James Kazini, Chief of Staff of the Ugandan contingent in the Democratic Republic of the Congo.

In connection with diamond purchases, for example, General Salim Saleh has set up a large network at Kampala called the Victoria Group. This group is led by Kahlil. His coordinators in Kisangani are Mohammed Gassan and Talal (responsible for funds transfers), and these three Lebanese nationals are well-known collaborators of Nahim Khanaffer.

Khanaffer is known as the former head of the Lebanese ring which collaborated closely with former President Mobutu in the trafficking of diamonds and counterfeit money in the Democratic Republic of Congo.

Within the Victoria Group, General Salim Saleh also collaborates with Baramoto and Nzimbi, two former generals under Mobutu. They were responsible at that time for protecting the illicit activities of Khanaffer and Abdul Karim, another of Khanaffer's Lebanese associates. These two generals now live in Kololo, a residential district of Kampala.

We note that it is almost exactly the same network which was also involved in diamond trafficking and arms sales in the Angolan zones formerly controlled by Jonas Savimbi. One might recall the accident involving an Ilyushin aircraft with a Russian crew, which crashed into a marketplace in a working-class district of Kinshasa in 1995, killing more than 350 people. It was determined that the aircraft was carrying arms and munitions for the Angolan rebel underground.

This was also the network that Prime Minister Kengo tried in vain to destroy. Indeed, on 24 February 1995, he dismantled two Lebanese rings specializing in counterfeiting and diamond trafficking, one led by Nahim Khanaffer, owner of the Antwerp firm Egimex, and one led by Abdul Karim, owner of Kalitoles, a sheet-metal manufacturing enterprise. In all, about 90 Lebanese were expelled by the Congolese Government at the time.

Protected by General Baramoto and General Nzimbi, most of these people lost no time in returning to Kinshasa a few weeks later, after the judicial system had whitewashed Nahim Khanaffer and Abdul Karim on the personal recommendation of President Mobutu.

It may be concluded, therefore, that it is this same network that was reconstituted in Kampala, and perhaps in Kigali, which is currently operating in the Democratic Republic of the Congo and in the Great Lakes region under the name Victoria Group.

General Salim Saleh is also active in gold trafficking in the Kilo-Moto region where he collaborates with Agmon, a former Israeli general and current "owner" of the Kilo-Moto mines. The mining is done in the Durba (Moto) area using old-fashioned methods. The Ugandan soldiers blast the gold pits with dynamite and allow 1,000 to 2,000 prospectors access to them each day. The prospectors are required to deposit 60 per cent of the gold collected with Ugandan authorities stationed at the entrance. The other 40 per cent is sold at authorized outlets.

We should also recall that in November 1998, just four months after the second war broke out, an Ilyushin-type aircraft transporting Ugandan senior officers crashed between Kampala and the Congolese locality of Bunia in Orientale Province.

At the time the plane was already suspected of being used for illicit diamond and gold trafficking. This was confirmed a few weeks later by the threats made by the Ugandan President against any officers of his military contingent in the Democratic Republic of the Congo who engaged in this kind of trafficking.

Our inquiry has succeeded in establishing the facts, in addition to discovering a huge network of trafficking in precious materials which operates in the shadow of the war and identifying its main participants.

This being so, we can confirm that this aircraft had nine persons on board, six of whom survived. The passengers included three major Congolese traders well known in Bunia gold-trafficking circles, namely, Abuki, Ali Thabani and Jogo. Jogo died a few hours after the accident.

The other four passengers included a Ugandan colonel and an Israeli general who has not been identified. However, by cross-checking a number of reliable reports, we conclude that this might well have been the notorious General Agmon.

According to our sources, this general, who works under the cover of a dummy company with Australian capital, is also at the centre of a very effective arms-trafficking network in the Great Lakes region. This may explain the very conspicuous mobilization of the Israeli rescue team which contributed actively to the discovery of the aircraft and the survivors.

It may be worth noting that General Salim Saleh, in addition to exerting control at the military and economic level, is also the political "godfather" not only of Mbusa Nyamuisi, who holds the real balance of power as Prime Minister of the rebel movement Wamba dia Wamba, but also of Jean-Pierre Bemba, leader of the Movement for the Liberation of the Congo (MLC) in Equateur Province. In this way he has a strong political influence on the whole of the territory controlled by the Ugandan armed forces.

The actual transactions involving the purchase of diamonds and gold take place at the Hôtel Imperial where the Victoria Group has its headquarters. The diamonds are paid for either in dollars or in Congolese francs. The question we sought to answer was where the Congolese francs and the tens of millions of dollars in cash used in these transactions come from. With regard to the supply of Congolese francs, we have learned that this network is supported by the commercial activities of a number of Ugandan and Lebanese companies and businessmen who have practically cornered the market in such everyday consumer items as fuel, beer, salt, sugar, soap, clothing, land and air transport, and so on.

The Ugandan companies which operate in this solvent market of 15 million consumers include:

1. Chairman, a Ugandan beer company

This company alone controls at least 80 per cent of the market, to the detriment of Primus beer, which is made at Kisangani and Bukavu. Indeed, Chairman beer, which is completely tax-exempt, costs a fraction of the price of Congolese beer, which is heavily taxed.

2. Coloki, a company which produces and sells carbonated beverages

This company, which is based at Mbarara, Uganda, and which is said to belong to the family of President Museveni, supplies all the territories controlled by the Ugandans with Coca-Cola-type carbonated beverages. Using the same tax-exemption methods, it competes unfairly with the Congolese beverage company COBEKI, based at Butembo. COBEKI is forced to sell its product below the real production cost in order to stay in business and avoid having the concentrates that are used as ingredients pass their sell-by date. Professionals in this sector estimate that the Ugandan company now controls 60 to 70 per cent of the market.

3. Mkwano Friendship

Based at Kampala, this company supplies the Congolese market with staple goods, such as soap, cooking oil, salt, sugar, rice, wheat flour, and so on through its local outlets.

We note, furthermore, that this company, one of whose shareholders is General James Kazini, also plays an intermediary role in the enormous financial transactions carried out by General Baramoto and General Nzimbi in Kampala.

In addition to these three large companies, several Ugandan and Congolese businessmen, including Idi Tabani, a resident of Kampala, operate a big, complex fuel distribution network.

A large part of the pile of money in Congolese francs collected by these companies goes back to the Victoria Group in exchange for dollars. This group uses the Congolese francs mainly for buying gold and diamonds. On a lesser scale, they also buy coffee and timber.

Despite all these activities, the enormous needs for Congolese francs of the Victoria Group and the Kigali Group, to which we shall refer in the following chapter, are not entirely met. This explains why these two groups try to cover the deficit by organizing several smuggling networks to transfer Congolese francs in bank notes from Kinshasa and Lubumbashi to the occupied territories via Kampala and Kigali. They count on the difference in the exchange rate, which is 1:2, meaning that 30 francs can be bought for $1 in Kinshasa and resold for $2 in Bukavu, Kisangani or Goma.

Several of these transfer networks have already been dismantled by the Kinshasa security services in the past few months. The first network to be dismantled was the one led by Mobutu's former minister, Ngongo Luwowo, who was also close to the former generals, Baramoto and Nzimbi. This network was led by the younger brother of Ngongo Luwowo, Rombau Ngongo, who is currently at large. Ngongo used professional smugglers to transfer banknotes from Kinshasa to Brazzaville, where they were sent on to Kampala.

The second group to be dismantled had been led by a Lebanese named Khalil (now in prison in Kinshasa), who is related to the same Khalil who heads the Victoria Group in Kampala. Several Lebanese involved in that network were arrested at Ngobila Beach.

The third network is a Rwandan one led by a woman named Gulamali who is currently based at Goma. The hub of this network is at Nairobi, where Samy, a confidant of this businesswoman, coordinates the transfer operations for bank notes coming from Kinshasa, probably in collaboration with Gulamali's daughter Jamila, who is based in a fashionable district of Nairobi. Four women belonging to this network were arrested by the immigration services at Kinshasa Airport on 16 January.

It is quite possible that these few networks that have been dismantled are only the tip of the iceberg. There are certainly scores of others still operating discreetly both at Kinshasa and at Lubumbashi.

Other information that we have been able to gather points to the existence of a large ring forging Congolese money at Nairobi and probably in Thailand.

This is how the Kenyan police managed to get their hands on a network of counterfeiters led by Amadi Zaira Djuma, alias Twist, a Kampala resident, who was forging Congolese money at the New Kenya Lodge Hotel at Nairobi.

B The Rwandan ring

A second trafficking ring for Congolese ores operates from Kigali. The group has four leaders.

1. Ali Hussein

He is the very own brother of Abdul Karim, Khanaffer's main partner in diamond trafficking and banknote printing in the Democratic Republic of the Congo from 1990 to 1994. Ali Hussein has long been involved in buying gold and diamonds at Bukavu and Kisangani for Khanaffer's Sitcombine syndicate.

He coordinates the transactions in diamonds and, to a lesser extent, gold at the Hotel Mille Collines. According to several sources which corroborate one another, these transactions take place in the presence of an adviser to the Rwandan Presidency, who often takes part in the haggling.

2. Gulamali

Aziza Kulsum, who uses her maiden name, is the owner of the Uzabuco company specializing in the manufacture and sale of Sportman and Best cigarettes at Bukavu.

Now based at Goma, she is the one who buys almost all of the gold, columbo-tantalite and cassiterite produced in the territories controlled by the Rwandans. A major Rwandan businessman named Al Haj Omar, based at Kigali and very close to Vice-President Kagame, is her collaborator in these transactions. At Bukavu, her main collaborator is Chirubagala Chinja, who coordinates the gold-buying operations at Shabunda, Walungu, Kamisimbi, Mugogo, Mwenga, and so on.

We note that Gulamali is one of the important links in an arms-trafficking network in the region, where she has put together a vast smuggling network (cigarettes, gold, ivory, arms, and so on). It is her network which supplied arms to the Nyangoma underground from 1993 to 1995, again with the complicity of the ubiquitous former generals, Baramoto and Nzimbi.

3. Rujugiro

Rujugiro is a Rwandan businessman who is very well known in the Great Lakes region. He made his fortune by joining with former Burundi President Bagaza in a cigarette factory in Bujumbura. Imprisoned by President Buyoya on Bagaza's fall, then released, he was exiled to Goma, Democratic Republic of the Congo, and later went to Kigali when the Rwandese Patriotic Front (RPF) came to power. Many consider him to be one of the major backers of the RPF during the 1990-1994 war.

Today he is one of Kagame's close economic advisers and is also president of the powerful Rwandan Chamber of Commerce. His company, Master Trading Company, which manufactures and sells the Supermatch and Yes cigarette brands, reaches like a tentacle into the Democratic Republic of the Congo, with branches at Kisangani, Bunia, Goma, Beni, Butembo, Uvira, Kongolo, Kalemie, Mbuji-Mayi, Kamina and Lubumbashi.

In the occupied territories, he has a virtual monopoly on the sale of cigarettes. It was Rujugiro who took over a large tobacco plantation concession belonging to British American Tobacco at Ahuzi, Orientale Province. Part of the tobacco is exported to Kenya, Uganda and Rwanda. Rujugiro's activities are coordinated at Goma by his brother Straton.

Together with Paul Asena, another Rwandan businessman, Rujugiro is considered to be the real brain behind Rwanda's illicit trafficking of precious materials from the Democratic Republic of the Congo.

In addition to these four persons, who are viewed as the ringleaders of this trafficking, there are other companies which are active to a greater or lesser extent in the lucrative trade in fuel, timber, beer and coffee. The most visible ones include the following:

1. Jambo Safari

This is the main fuel distribution company in North Kivu. It is managed by a businessman, Modeste Makabuza, who is very close to Vice-President Kagame. Financed by a large Rwandan bank, with a fleet of 15 tankers, plus trailers, it can import with each convoy about 600 m^3 of fuel from Kisumu, where its main partners are Kassam and the Hashi Empex company.

2. STIPAG

STIPAG is a Rwandan company initially based at Bujumbura where, according to several accounts, its top official was on good terms with Burundian President Buyoya. It is the largest fuel distribution company in South Kivu, mainly at Bukavu and Uvira. It was established at Bukavu during the first war in 1996.

The fuel sold by STIPAG comes from the Belgian company Fina through the ports of Mombasa and Dar-es-Salaam. It is thanks, inter alia, to this company that Burundi managed to circumvent the oil embargo imposed on it in 1996 when Major Buyoya took power in a coup d'état.

STIPAG imported petroleum products from Dar-es-Salaam to Bujumbura through the port of Kalundu in Uvira, Democratic Republic of the Congo. One may recall the case of the 900 m^3 of fuel imported by the company in March 1997 and re-exported to Burundi. That case upset relations between the United Republic of Tanzania and the Democratic Republic of the Congo.

It should also be pointed out that the company's representative, Mbuguje, works in close collaboration with Commander Kazura, chief of the security branch of the Rwandan armed forces in the Democratic Republic of the Congo and attached directly to Vice-President Paul Kagame, and with Gatete, former Rwandan battalion commander at Bukavu.

3. Habier organization

This organization specializes in the distribution of fuel to North Kivu (Goma) and South Kivu (Bukavu). This fuel comes from Eldored through a Kenyan company called Hashi Empex. The Habier organization belongs to Ernest Habimana, who is very close to senior officers of the Rwandan armed forces in the Democratic Republic of the Congo, in particular Commander Karasira, who is responsible for logistics, and Gakwerere, former commander of the personal guard of President Kabila. It is this company that has been supplying the Rwandan and Ugandan armed forces with fuel, particularly since the first war. Habier is also involved in the trafficking of gold and cassiterite to South Kivu, Maniema and North Kivu through Miruho, a Congolese businessman resident in Bukavu.

4. GR organization

Headed by a former Rwandan trader from Bukavu, Eugide Gakuba, who returned to Kigali after the RPF entered Rwanda in 1994, this company specializes in the distribution of fuel to North Kivu and South Kivu. It is represented by a former RPF fighter and the son of a Colonel Segahunga. This organization receives considerable support from Rwandan banking circles.

As may be imagined, in the case of both the Ugandan and the Rwandan rings, huge receipts in Congolese francs generated by the commercial activities of these companies and businessmen are exchanged for Victoria Group and Kigali Group dollars for the purchase of diamonds and gold through numerous Lebanese and Congolese syndicates established in the mining zones of Orientale Province and Maniema.

Purchasing offices belonging to Congolese

Most of these offices bear the names of their representatives.

Jadot Bakam purchasing office
Frère Jacques purchasing office
Robert Mandje's Boss Mutoto purchasing office
Gustave purchasing office
Fils Lonia purchasing office
Jeef Mapele purchasing office
Desire Ebua's Bo Chini purchasing office
Roger "Dubai"'s Peniel purchasing office
Fiston Ongala purchasing office
Walter purchasing office
Tshingoma purchasing office
Pablo purchasing office
Jean Jacques Mbabu purchasing office
Tama Bobo's Samukundja purchasing office
Frère Adrien purchasing office
Papa Top purchasing office
Kakol purchasing office
Jehovah Juré purchasing office
Kati Diamonds purchasing office
Basosila purchasing office

Purchasing offices belonging to foreign nationals

These offices bear the names of their representatives.

Ezedine purchasing office (Lebanese)
Talal purchasing office (Lebanese)
Akail purchasing office (Lebanese)
Abass purchasing office (Lebanese)
Papa Mohamed purchasing office (Lebanese)
Papa Philippe purchasing office (Jewish)
Mister Cash purchasing office (Lebanese)

Jihad purchasing office (Lebanese)
Papa Connaisseur purchasing office (Lebanese)

Artisanally worked diamond pits

The diamonds illicitly mined by the Ugandan and Rwandan rings are extracted mainly from the following pits:

1. **Buta axis**

AVD pit
Mbilimbili pit
PDG pit

2. **Bafwasende axis**

Kondolole pit
Bavandomo pit
Paris-Soir pit
Nedu Pepe pit
Monano Ya Suka pit
Ngwabi pit
Panga pit
Molende pit
Tour à Tour pit
Perasse pit
Grâce à Dieu pit
Bruxelles pit
Lokoma pit
Berengo pit
Alwanga pit
L'an 2000 pit
Keba Na Retour pit

3. **Lubutu axis**

Apiti pit
Amapima pit
Makwatima pit
Tripoli pit

4. **Banalia axis**

Lolima A pit belonging to Pikolo
Lolima B pit belonging to SEBA

5. **Comments**

Numerous accounts from Kisangani residents lead us to believe that the Ugandans tried to establish a South African mining company, Saropa Mining, at Banalia in October 1998.

Several dozen tons of equipment had been moved there but, for reasons that remain mysterious, were removed to Kisangani, and Sanjivan, the representative of this company, has set up business at Gbadolite, which is not far from Yakoma, site of another major diamond deposit.

Gem diamonds extracted from the Lodja, Kasaï Oriental, area are marketed at Kigali; two flights a week are made by an Ilyushin-type aircraft between Lodja-Kindu-Goma and Kigali. For passengers who have parcels of diamonds to sell in Kigali the Lodja-Kigali trip is free of charge.

Artisanally worked gold pits

1. **South Kivu, North Kivu and Maniema axis**

All the gold extracted from the pits of these three provinces is marketed mainly in Rwanda.

Kamituga
Lugushu
Mwenga
Shabunda
Kaziba
Walikale
Osokari
Kama
Kalima
Kampene
Salamibila
Misisi
Namoya
Twangiza
Lubutu
Kamisimbi

2. **Orientale Province axis**

All the gold extracted from the pits in this province is marketed mainly in Uganda.

Mungbalu
Kasenyi
Nyakunde
Bafwasende
Niania
Isiro
Watsha
Buta
Durba

Comments

Parallel with the exploitation of diamonds and gold, a group of Thais, operating in collusion with Ugandans in Nairobi, are buying precious stones and metals such as tourmaline, amethyst, light rhodium, topaz, and so on, from South Kivu and North Kivu.

Timber is also the subject of intensive industrial exploitation by a Ugandan-Thai enterprise called Dar-Forest, with headquarters at Mahagi in the Democratic Republic of the Congo. This company is devastating the forestry sector of Komanda, Beni, Mambassa and Mahagi, in particular.

According to the testimony of certain Congolese traders approached by Ugandans within the framework of the coffee campaign, General Salim Saleh's network injects $5 million to $10 million each year into North Kivu, Orientale Province and Equateur Province for the purchase of coffee.

Conclusion

Last October the reality of the war in the Democratic Republic of the Congo went through a particularly disturbing episode, with bloody confrontations between Rwandan and Ugandan soldiers at Kisangani.

For the first time in the history of international relations, two alien armies decided to cross their respective frontiers to fight in the territory of a neighbouring country, contesting zones of influence or occupation.

So far no one has managed to learn the compromise whereby the two Presidents, of Rwanda and Uganda, without the participation of the rebels whom they claim to support, decided to make peace and to continue to "operate" in Congolese territory, in their own interest, naturally.

It is therefore this unavowed interest that we have tried to discover in this inquiry by examining the economic stakes of the war, whether it be termed rebellion or aggression.

Because of the very large number of military personnel engaged on all fronts, persons killed, civilian population groups displaced, infrastructure destroyed and ongoing plundering of the mining, agricultural and forestry wealth of the Democratic Republic of the Congo, there in no doubt that this war has a very high economic and social cost that is hardly justifiable by the mere requirements of denunciation of the Kinshasa regime or the need for security on the frontiers of Rwanda, Uganda and Burundi.

This is especially true in that all the reports of international organizations indicate that democracy or respect for human rights are not more advanced in the rebel-controlled territories than in the areas under the control of the Government of President Kabila. Similarly, the ethnic rivalries in Rwanda and the Tutsi genocide cannot justify the presence of the troops of the Rwandese Patriotic Army more than 2,000 kilometres from their borders. Throughout this inquiry we have thus been able to establish three facts clearly.

Firstly, to the east of the Democratic Republic of the Congo, in North and South Kivu provinces and Orientale Province, it is Rwandan and Ugandan officials or private individuals who control or manage the airports, ports, airlines, vessels, communications, and so on.

This takeover has encouraged the activities of networks of Rwandan and Ugandan traders and enterprises which, in the course of the war, have cornered the whole market in goods, products and services and indulge in speculation. The result is intensive exploitation of anything that is of value and can produce a substantial short-term profit.

Secondly, there exists a network of traffickers in gold and diamonds which uses the same channels as the Khanaffer network, which became notorious under the Mobutu regime for the forgery of currency, arms sales and the laundering of drug money. This is all the more intriguing since no one can identify the source of these millions of dollars that are used for the purchase of precious materials and do not pass through traditional banking channels.

Thirdly, the plundering and exploitation of the wealth of the Democratic Republic of the Congo by enterprises that have invested nothing, either upstream or downstream, are proportional to the impoverishment of the indigenous population groups and have no counterpart (roads, hospitals or schools).

This state of affairs was unquestionably the underlying cause of the extreme tension which prevailed in early February in South Kivu Province, where the population of Bukavu declared self-imposed

curfew days (*journées villes-mortes*) as a form of resistance against the plundering and exploitation of which it feels itself the victim.

Are not the periodic massacres of indigenous population groups which occur always, as though by chance, in the mining zones such as Kasika, Kamituga and Ituri the result of the population's protest against this pillage?

On that basis it becomes easy to answer the question: who benefits from the crime? From our study we learn that it is mainly the military-political group in power in Rwanda and Uganda and businessmen from those two countries, then the criminals who launder the proceeds of crime through traffickers in gold and diamonds and, lastly, gun-runners.

In brief, the criminalization of the Congolese economy, while reviving tensions between the "exploiters" and those who feel exploited, aggravates border insecurity problems for the countries of the region.

What can be done, then, to put an end to this spiral that brings violence and destabilization to the Great Lakes?

The first conclusion that should be drawn from an analysis of the facts and interests, visible and invisible, that have been interacting and intensifying for three years in the so-called Great Lakes crisis is that here more than anywhere, money is truly the "sinews of war".

It follows that no peace will be lasting unless the interests of all, both the powerful and the weak around us, are taken into account in a solid and stable settlement for the exploitation of these coveted resources of the Democratic Republic of the Congo.

In the absence of such a settlement, there is a risk that the country might be turned into a twenty-first century "far West" by colonial wars of a new kind for the conquest of land for the exploitation of its wealth.

A responsible Government must therefore take heed of this danger and of the fact that every day spent thus under foreign occupation deprives the country of vast profits. Hence the need to hasten the implementation of the Lusaka Ceasefire Agreement for a global solution to the crisis.

The international community should also realize that without political, military and economic pressure, the belligerents who profit from the general confusion that prevails will show no alacrity in accepting this Lusaka Agreement. Whatever may be said, the war being waged by Rwanda and Uganda in the Democratic Republic of the Congo is a highly lucrative enterprise for both the public and the private interests of these two countries and for the gun-runners and money-launderers. It has also demonstrated that the Democratic Republic of the Congo possesses wealth which, if judiciously exploited, could open the way for this country's rapid development and enable it to break out of the ghetto of its external indebtedness — provided that it is organized as a modern State and governed by men who have at heart the higher interest of their nation and of a globalizing world.

Lastly, pending the implementation of the Lusaka Agreement and the end of this war, it is imperative that the United Nations Security Council put an end to this trafficking by applying embargo measures. It is also important that an international commission of inquiry into the illicit exploitation of the wealth of the Democratic Republic of the Congo be established.

Done at Kinshasa, 10 April 2000.

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